June 2007

Ensuring a High Level of Environmental Protection

Industrial Commercial & Institutional Sector

The Ministry of the Environment conducted a province-wide inspection sweep of the industrial commercial and institutional (IC&I) sectors in 2006. These inspections support the government's commitment to waste diversion and help achieve greater compliance.

Regulations 102 and 103 are an integral part of Ontario's waste reduction action plan. Regulation 102 identifies the IC&I establishments to which it applies, and requires them to conduct waste audits and to develop and implement waste reduction work plans. Regulation 103 adds requirements for source separation programs for specified wastes. These regulations are designed to ensure that IC&I sectors develop programs to reduce the amount of valuable resources going to disposal through reducing, reusing and recycling. Types of establishments to which these regulations apply include large manufacturing facilities, restaurants, hotels and motels.

The inspections focused on:

- gauging industry knowledge and compliance with Regulations 102 and 103,
- understanding the challenges faced by the regulated community with reference to these regulations, and
- providing education and outreach to this sector.

From March to October 2006, 260 inspections were completed across the province. The overall non-compliance rate was 92.7 percent. A progressive compliance approach starting with voluntary abatement was used.

Inspection Sweep Scope

Inspections, which assessed compliance with Regulations 102 and 103, were conducted across the province covering 16 ministry districts. They were conducted in the following types of businesses within the sector:

- construction and demolition (focused in GTA due to the predominance in this region)
- hotels and motels
- large manufacturing
- restaurants
- retail shopping establishments ('big box' stores)
- retail shopping complexes (shopping malls) and
- office buildings

Identifying companies for Inspection

A list of construction and demolition companies was prepared by the ministry's Sector Compliance Branch (SCB). Waste Management Policy Branch provided a list of companies for all other IC&I sectors, utilizing Equifax data. The companies were screened using regulatory thresholds, and selected randomly.

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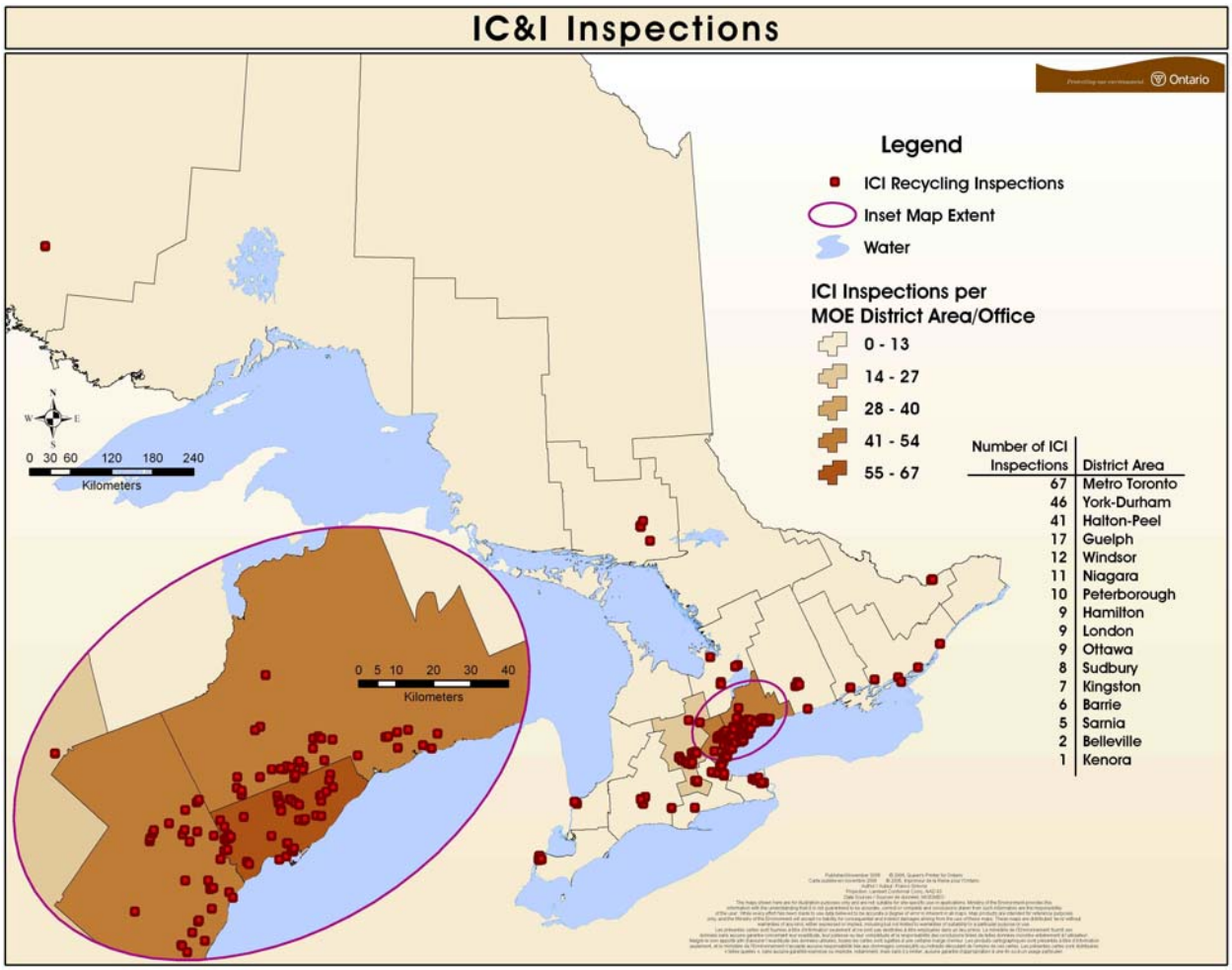
REGULATION 102 AND 103 THRESHOLDS

Sector Group	Reg. 102/103 Thresholds
Construction & Demolition	$\geq$ 2,000 m^2
Restaurants	$\geq$ $3M gross sales in the two preceding calendar years for all restaurants operated by the owner in Ontario
Hotels/Motels	>75 units
Large Manufacturers	>16,000 hrs worked by persons employed at the site per calendar month during the two preceding calendar years
Retail Establishments	$\geq$ 10,000 m^2
Retail Complexes	$\geq$ 10,000 m^2
Office Buildings	$\geq$ 10,000 m^2

Note:
Threshold Value means that if an entity in a particular sector group meets the respective criteria then Ontario Regulations 102 and 103 apply to that entity.



Summary of Inspection Findings:

Companies	#	%
Inspected	260	
Pass	19	7.3
Fail	0	0.0
Admin Fail	241	92.7
Of the Admin Fails	#	% of Admin Fail
Non Compliance with Regulation 102	241	100
Non Compliance with Regulation 103	103	42.7

Pass means compliance with all components of Regulations 102 and 103.

Source Separation Summary*

% of recyclable categories being source separated	# of Companies
0%	20
1-25%	20
26-50%	22
51-75%	31
76-99%	27
100%	140

**Based on information from all 260 inspections.*

Please refer to Appendix A (page 5) for source separation percentages by sectors and recyclable materials.

Compliance Status

In line with the progressive compliance approach, 241 companies that were found to be non-compliant were issued letters requesting that they take appropriate actions to achieve compliance.

Fifteen companies that did not comply with the requests outlined in these letters were issued a provincial officer's order.

As of June 2007, of the 241 companies that were found to be in non-compliance, 203 companies have come into compliance, and compliance is pending for the remaining 38 companies.

Of the 15 companies issued orders, five have come into compliance. Three of the remaining ten facilities that were issued an order have been referred to the ministry's Investigations and Enforcement Branch.

Inspection Sweep Conclusions

The overall results of the inspection sweep indicated that these facilities had little knowledge of these regulations, particularly Regulation 102. However, over 90 per cent of the facilities inspected were source separating materials to some degree.

Next Steps

The branch will follow up on non-compliance issues found during this inspection sweep.

The ministry will meet with IC&I sector associations to convey results and increase awareness regarding Regulations 102 and 103.

The branch will also inspect waste transfer stations to gather more information on the final disposition of waste and will share findings with the ministry's Waste Management Policy Branch.

The Sector Compliance Branch

The Sector Compliance Branch of the Ministry of the Environment conducts inspections of companies and sites in business sectors that have been known to have high non-compliance rates and/or the potential to significantly affect human health and the environment.

Fair and effective enforcement across business sectors by the Sector Compliance Branch fosters a level playing field for all businesses and complements inspections conducted by the ministry's 22 area and district offices.

The branch also undertakes education and outreach initiatives to help promote compliance with Ontario's environmental laws.

The branch uses leading-edge practices and technologies such as Geographic Information Systems (GIS) and mobile computing systems to gather and analyze information about inspections to determine existing and emerging trends in environmental compliance.

Glossary of Terms

- **Compliance –** No contravention of an Act or Regulation or terms of an order, license or Certificate of Approval (C of A).

- **Non-compliance –** Contravention of an Act or Regulation or not complying with the terms of an order, license or C of A.

- **Administrative Fail -** An inspection where legislative violations were identified and there is/are no indications of potential for human health impact or environmental impairment.

- **Fail -** An inspection where legislative violations were identified and there is/are indications of potential for human health impact or environmental impairment.

- **Pass –** An inspection where no legislative violations were identified.

- **Letter –** A document issued by a Provincial Officer when legislative violations of administrative nature were identified in an inspection and there is/are no indications of potential for human health impact or environmental impairment.

- **Provincial Officer Order –** A document issued by a Provincial Officer when legislative violations are identified in an inspection and there is/are indications of potential for human health impact or environmental impairment; or there is an ongoing violation not resolved despite ministry direction.

APPENDIX – A

Source Separation %'s by ICI Sectors and Recyclable Materials

Materials required to be source separated for recycling	Retail Complexes Over 10000 m²	Retail Establishments Over 10000 m²	Construction Over 2000 m²	Hotel/Motel Over 75 units	Demolition Over 2000 m²	Office Over 10000 m²	Restaurant $3 million+ Sales	Manufacturer Over 16000 hrs worked per month
Aluminum food & beverage cans	86	63		75		93	80	
Cardboard (corrugated)	96	75	3	79		97	78	92
Fine paper	86	63		72		94	53	85
Glass food & beverage bottles/jars	86	62		75		94	83	
Newsprint	86	60		77		94	64	77
Steel food & beverage cans	80	46		65		91	73	
Brick & portland cement concrete			78		100			
Drywall (unpainted)			76					
Steel			N/A		100			89
Wood (not including painted or treated or laminated wood)			53		N/A			94
PET bottles for food & beverage				67			71	
Aluminum								88
Glass								84
HDPE plastic jugs, crates, totes, drums								73
LLDPE film								79
Polystyrene expanded foam								69
Polystyrene trays, reels & spools								67

Shows the categories of wastes that need to be separated for the respective ICI Sector

Numbers indicate the approximate percentage of companies that were source separating that material
Above percentages are based on the 2006 ICI Sweep data.

For more information about the Sector Compliance Branch, visit our website at:

http://www.ene.gov.on.ca/envision/scb/, or

call the branch toll free: 1-866-482-9967, or

the ministry's toll-free, 24-hour public hotline:

1-866-MOE-TIPS (1-866-663-8477)